IMPACT OF MONETARY INCENTIVES ON EMPLOYEE PERFORMANCE IN THE NIGERIAN AUTOMOTIVE SECTOR: A CASE STUDY

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ABSTRACT

This study delves into the intricate relationship between monetary incentives and workers' performance within the context of the Nigerian Automobile Industry. The objective is to discern the impact of various monetary incentive factors on employee performance while also investigating potential areas for enhancement. Through a meticulous examination of 120 completed questionnaires, the study identifies prevailing trends and disparities in the perception of monetary incentives among industry workers. The findings unveil a nuanced understanding of employees' familiarity with the elements and factors of monetary incentives, highlighting their comprehension of how these variables intertwine with their workplace performance. A critical observation is made concerning the incongruence between the societal
image associated with workers within the Automobile Industry and the current salary structures. It becomes evident that salary adjustments are not conducted in alignment with the benchmarks established by the Salaries and Wages Commission. A compelling revelation surfaces as the study underscores the paramount influence of Bonus payments and pay raises on employees' motivation and job satisfaction. These two factors emerge as significant determinants of enhanced performance, with most workers acknowledging their pivotal role. In contrast, the practice of Profit Sharing within the industry is not commonplace, and concerns regarding transparency shadow instances that do exist. This unveils a compelling demand for a more open and equitable Profit-Sharing system capable of invigorating workers' enthusiasm. Moreover, the study illuminates the inadequacies of the Retirement Benefits framework, indicating a palpable need for its augmentation to elevate employee contentment and performance. The research substantiates the hypothesis that monetary Incentives encompassing Salary, Bonus, pay rate, profit-sharing, and Retirement Benefits significantly influence workers' performance within the Nigerian Automobile Industry. In conclusion, the study proffers strategic recommendations to fortify the bond between monetary incentives and employee performance. Embracing transparency, ensuring timely salary reviews and bonus disbursements, implementing performance-based pay rise policies, enhancing retirement benefits, and upholding transparency in monetary incentive processes are identified as pivotal actions that can stimulate heightened motivation, job satisfaction, and ultimately, superior performance within the Nigerian Automobile Industry.

Keywords: Monetary Incentives, Employee Performance, Nigerian Automobile Industry, Job Satisfaction, Intrinsic Motivation, Career Development, Human Resources Management, Pay Rise.

INTRODUCTION

In the pursuit of enhanced employee efficiency and productivity, organizations continually seek innovative strategies. While various approaches have been employed to foster employee motivation, achieving sustained commitment toward work-related goals remains challenging. A prevailing debate centers around motivation, with some asserting its intrinsic nature, thereby rendering it resistant to external influences. Conversely, others posit that many methods exist to enhance employee motivation, contingent upon discerning individual preferences. A fundamental approach frequently adopted by employers is the provision of monetary incentives, recognized for their potential to elevate motivation, efficacy, and productivity (Ballentine et al., 2003; Mittal, 2022). These incentives are designed to reward exceptional job performance through financial means. The research underscores the diversity of desired monetary incentives shaped by employees' career stages and generational characteristics. Given the centrality of human resources to organizational success, motivating, training, and developing employees assumes paramount significance, as motivated individuals equipped with skills and knowledge demonstrate superior performance.

In developing countries, such as Nigeria, where the cost of living is high and quality of life may be compromised, the appeal of monetary rewards as a motivator is pronounced. Notably, economic considerations underpin a substantial portion of human activities. Consequently, monetary incentives hold a substantial influence over work engagement and commitment. Nevertheless, the efficacy of these incentives can be contentious, especially when confronted
with circumstances wherein financial rewards are withdrawn. The Nigerian context exemplifies this dynamic, where employees persist in their work despite prolonged delays in salary disbursement due to the expectation of eventual compensation (Adegboyo, Keji, & Fasina, 2021). Historically, salary and wages have been the oldest forms of monetary incentives. This tradition endures in Nigeria, where both public and private sector employees endure protracted delays in compensation yet persist in their roles. While this may reflect primarily economic motivation, it signifies the intricate interplay between financial remuneration and job commitment (Ajibade & Salako, 2021; Calvin, 2017).

The present research seeks to explore the impact of monetary incentives on employee performance within the Nigerian Automobile Industry. In this context, employees represent invaluable assets essential for attaining organizational objectives, yet, their underutilization remains a concern. Poor motivation has been identified as a key contributor to diminished employee performance, prompting investigations into motivating factors to ameliorate this issue. Monetary incentives emerge as a crucial consideration, with their application warranting examination for optimal performance enhancement.

The historical background of the studied companies is provided below;

- **Elizade Motors Limited**: Elizade Motors, initially established as an automobile marketing company in 1971, underwent incorporation in 1976 as Elizade Nigeria Limited. It emerged as Nigeria's sole franchise dealer for Toyota vehicles and parts. Under its robust management structure, Elizade Nigeria Limited effectively positioned Toyota as the preferred car brand within the country. Collaborating with the East Asiatic Company of Japan, the parent company of Toyota Motors, in 1986 led to the formation of Toyota Nigeria Limited. This strategic partnership enabled Toyota Nigeria Limited to become the exclusive distributor of Toyota vehicles in Nigeria, managing a Semi Knock Down Assembly. With an annual turnover of ₦33 billion, an authorized share capital of approximately ₦750 million, and total assets totaling around ₦8.1 billion, Elizade solidified its status as a pioneering Automobile Franchise in Nigeria. The company's headquarters are situated in Lagos, with branches spanning all six geopolitical regions of the nation (Elizade, 2023).

- **Coscharis Motors Limited**: Incorporated in 1977, Coscharis Motors Limited embarked on its journey as a servicing parts dealership, progressing to full-fledged vehicle sales operations in 1982. The company has gained prominence for providing luxury vehicle brands, including BMW, Jaguar, and Land Rover. Coscharis Motors Limited also holds the exclusive franchise for Ford Motors in Nigeria, with a Semi Knock Down Assembly plant in Lagos. Its distribution system has effectively established Ford vehicles as sought-after offerings in the Nigerian auto market. The company's headquarters are located in Lekki, Lagos, with regional branches spanning all geopolitical zones in the country (Coscharisgroup, 2023).

- **Stallion Motors Limited**: Stallion Motors stands as a prominent automotive brand in Nigeria, overseeing the franchise for the Hyundai vehicle brand. The group, founded by an Indian family that settled in Nigeria during the early 1950s, has diversified its portfolio to encompass esteemed vehicle brands such as Volkswagen, Porsche, Audi, and Honda. The company's commitment to becoming a leading vehicle brand in Nigeria and Africa is
reflected in its vision. With a Semi Knock Down Assembly Plant established in Lagos, Stallion Motors has created a robust distribution network that ensures its presence across all geopolitical zones in the nation (Stallion, 2023).

The primary research objectives encompass a comprehensive investigation into employee motivation and performance dynamics within the Nigerian Automobile industry. Firstly, the study analyses the impact of Cash Bonuses (Sales Commission) as a monetary incentive on employee performance. Secondly, it explores the correlation between retirement benefits and employee job satisfaction. The research also endeavors to scrutinize the efficacy of Pay rise in elevating the overall performance levels of individual workers within the Nigerian automobile sector. Lastly, the study intends to discern the significance of Profit Sharing as a determinant of workers' performance in the Nigerian automobile industry. Through these objectives, the research sheds light on the intricate interplay between monetary incentives and employee engagement, ultimately contributing to a deeper understanding of organizational performance factors.

The research aims to address the following questions:

i. To what extent has Cash Bonus (Sales Commission) impacted employee performance in the Nigerian Automobile industry?

ii. To what extent do retirement benefits contribute to job satisfaction?

iii. How effective is a pay raise in enhancing the overall performance of individual workers within the Nigerian automobile industry?

iv. To what extent does Profit Sharing influence workers' performance within the Nigerian automobile industry?

The research will test the following hypotheses using both null and alternate forms:

**H0** = Null Hypothesis

**H1** = Alternate Hypothesis

**H0**₁: Cash Bonus (Sales Commissions) do not have any effect on employee performance in the Nigerian Automobile Industry

**H0**₂: Retirement benefits do not lead to Job satisfaction in the Nigerian Automobile Industry.

**H0**₃: Pay rise is ineffective for workers' performance in the Nigerian Automobile Industry.

**H0**₄: Profit sharing is irrelevant to workers' performance in the Nigerian Automobile industry.

This research holds relevance for management and stakeholders in the Nigerian Automobile Industry by providing insights into various monetary incentive schemes' impact, relevance, and effectiveness. The findings can inform the formulation and application of these incentives to enhance workers' performance and job satisfaction. Additionally, potential entrants into the industry can benefit from understanding the types and applications of incentives that optimize productivity. The study assumes the presence of operational and well-defined monetary incentive schemes across all companies within the Nigerian Automobile Industry. It further assumes that all employees are eligible to partake in these schemes. The research acknowledges the existence of other incentive schemes alongside monetary incentives within the industry.

**LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

**Concept of Monetary Incentives**

Ballentine et al. (2003) define monetary incentives as rewards intrinsically linked to various compensation elements such as salary increments, profit-sharing arrangements, stock options,
individual employee recognitions, group rewards, merit-based pay, bonuses, and compensation for leave or vacation periods. Central to such incentives is the direct monetary remuneration provided to individual employees or groups of employees. Before implementing any monetary incentive or compensation system, a thorough examination of such systems’ underlying principles and foundations becomes imperative. In contemporary organizational practices, strategic human resource management emerges as a pivotal framework for delineating the decision-making process surrounding monetary incentive strategies and policies (Groysberg, Abbott, Marino, & Aksoy, 2021).

Drawing upon Kreilkamp, Matanovic, Schmidt, and Wöhrmann (2022) insights, strategy is characterized as a deliberate orchestration encompassing the formulation, execution, and assessment of actions that guide an organization in achieving its predefined objectives. Applying this notion to the strategic management of an incentive system, it becomes evident that it entails the systematic design, execution, and evaluation of a monetary incentive framework aimed at propelling an organization, such as an Automobile Company, toward attaining heightened employee performance and enhanced productivity. The basic reasons for monetary incentives are to increase productivity, drive or arouse a stimulus work, enhance commitment to work performance, and psychologically satisfy a person. This leads to job satisfaction, shapes subordinates' behaviour or outlook towards work, inculcates zeal and enthusiasm, and maximizes their capabilities. They are exploited and utilized maximally (Kreilkamp et al., 2022; Pfieffer & Velthuis, 2009).

To effectively implement the concept of monetary incentives, companies and organizations must develop policies to drive the incentive schemes. These policies serve as essential frameworks for organizational operations, aiding in resolving recurring issues and facilitating the alignment of strategies (Huffmire & Holmes, 2006). According to David (2007), policies are specific directives, methods, procedures, regulations, forms, and administrative practices instituted to endorse and propel efforts toward predetermined goals. Banjoko (2000) delineates key guidelines that a monetary incentive plan should adhere to in order to fulfill its intended objectives:

i. A monetary incentive scheme must be intricately linked to employee performance.
ii. The arrangement of monetary incentives should cater to the diverse preferences of individual employees, offering various alternatives for greater inclusivity.
iii. Monetary incentives must align with an organization’s policies, contextual environment, constraints, regulations, and procedures.
iv. Consistent monitoring of the monetary incentive program is necessary to ensure its just, uniform, and accurate implementation as envisioned and to ascertain its continued suitability in relation to the defined objectives.

Notably, the concept of monetary reward systems holds paramount importance for employees. The process through which these rewards are determined, as highlighted by Morgeson, Campion, and Maertz (2001), can significantly influence worker satisfaction. An organization’s incentive program may involve offering a variety of employee incentives, engaging in direct or indirect negotiations with labour unions, or employing a combination of these approaches. However, organizations must establish comprehensive policies that govern their incentive programs. Such policies serve to prevent ambiguity and conflicts when
executing incentive packages, ensuring transparency and equitable treatment across the workforce.

**Types of Monetary Incentives**

Incentives represent crucial drivers that influence employee behaviour. When viewed through the lens of fostering successful strategy implementation, an effective incentive or reward program. These accomplishments can revolve around bolstering organizational proficiency, encompassing aspects such as flawless manufacturing, punctual delivery, expedited cycle times, elevated customer satisfaction, reduced costs, and other related dimensions.

In research conducted within a Nigerian factory, Oloko (1977) categorized reward elements according to their decreasing frequency of mention. The items included the following: Opportunities in the company for advancement, job security, salary or wages, medical and health facilities, working on the job you prefer, pension scheme, credit for the job you do – recognition, good people to work with, supervisor's temperament and attitude, vacation and holiday practice, housing, company's attitude toward employees, incentive schemes, physical working conditions. This list reflects the diverse elements individuals value and respond to within the workplace, highlighting the multifaceted nature of incentives in shaping employee engagement and performance.

Monetary incentives constitute external factors that wield influence over motivation. Diverse forms of monetary incentives exist, with several prominent types outlined below, accompanied by succinct explanations:

i. **Salary or Wages:** This stands as one of the most time-honoured and paramount motivational factors in human history. It encompasses monetary compensation received at the conclusion of a stipulated work period, typically bi-weekly or monthly. Notably, salary and wages should be both reasonably fixed and punctually disbursed (Resca & Munandar, 2022).

ii. **Bonus:** A bonus encompasses an additional payment beyond the regular salary. Its purpose lies in incentivizing employees who achieve their sales targets or teams that successfully complete projects within stipulated timelines or exceed production benchmarks. Companies might also grant year-end bonuses or long-service bonuses as tokens of recognition for loyalty. It is crucial to underscore that bonuses are intrinsically linked to organizational profitability and productivity (Sorn, Fienena, Ali, Rafay, & Fu, 2023).

iii. **Pay Raise:** A pay raise signifies an augmentation of an employee's salary. Such increments are extended to employees who have either demonstrated outstanding performance over a duration or have offered long-standing service to the organization. Furthermore, pay raises are granted to individuals who have been promoted to higher roles within the company (Coron, 2020).

iv. **Profit Sharing:** This represents an admirable means of rewarding staff members. It entails the distribution of a portion of the company's profits among employees, with the allocation contingent upon position and years of service within the organization. Profit sharing cultivates a sense of belonging among employees (Cheadle, 1989).

v. **Stock Option:** Under this arrangement, employees receive company shares under preferential terms, culminating in financial gains for the employee (Bergman & Jenter, 2007).
vi. Allowances: Allowances encompass varied financial incentives extended to employees based on merit and requisites. Illustrative examples include Traveling Allowance, House Rent Allowance, Training Allowance, and Education Allowance for employees' children.

vii. Retirement Benefits: This involves monthly contributions from both employers and employees, constituting a percentage of the employee's salary. Managed by a dedicated fund manager, this sum is set aside and accessible to the employee upon retirement from the company. In everyday parlance, this is commonly referred to as a pension (Hansen, 2010).

Advantages of Monetary Incentives
Monetary incentives offer a range of advantages that significantly impact employee motivation and overall organizational performance. In the context of this study, we will delve into ten distinct advantages of monetary incentives. One of the primary advantages of monetary incentives lies in their simplicity and straightforwardness. Implementing monetary incentive schemes provides a clear and uncomplicated approach to reward employees who consistently exhibit high levels of productivity (Read, 2005). Such schemes are not only effective in acknowledging hardworking employees but also serve as a direct means of influencing desired employee behaviours. Unlike certain incentive methods that demand personalized approaches, monetary incentives require no individual customization. The uniform nature of compensation ensures that each employee is adequately rewarded for their contributions, making it a convenient avenue for organizations to express appreciation and incentivize performance (Atmaja, Zaroni, & Yusuf, 2023; Hackethal, Kirchler, Laudenbach, Razen, & Weber, 2023).

Nearly every employee aspires to be acknowledged and rewarded for their exceptional performance. Employing monetary incentives elevates their productivity levels and provides an effortless mechanism to offer extra compensation. This, in turn, enhances employee morale, encouraging them to maintain high levels of dedication and effort (de Walqué et al., 2022). Monetary incentive programs cultivate an environment where employees feel their efforts are recognized and appropriately compensated. This dynamic fosters a sense of assurance among employees that their achievements will be rewarded, motivating them to devise innovative approaches to accomplish targets and enhance overall performance. Consequently, the organization benefits from a more positive and motivated workforce (Pancasila, Haryono, & Sulistyow, 2020).

Monetary incentives gratify employees and significantly impact their productivity levels (Mdhlalose, 2022). Given that financial incentives drive many employees, the prospect of earning such rewards propels them to intensify their efforts, thereby augmenting their overall productivity. Monetary incentives serve as a just and impartial tool for evaluating employee performance. Those employees who consistently deliver quality work within stipulated timeframes are often the ones to achieve the organization's objectives. Utilizing monetary incentives as rewards provides a fair assessment of performance, enabling the recognition of diligent employees based on their accomplishments. Monetary incentives offer employees an element of control over their earnings (B. J. Ali & Anwar, 2021). This autonomy empowers employees with the belief that their hard work can directly translate into increased income. The prospect of enhanced financial reward becomes a driving force that propels employees to
amplify their work efforts, leading to improved outcomes. They are an excellent means to reward high-performing employees. Often, organizations have multiple employees who consistently contribute at a commendable level. In such instances, monetary rewards can be extended as a direct acknowledgement of their exceptional efforts, thereby motivating them to sustain their high level of performance. Promotions are not always frequent, creating a dilemma for management when dealing with employees who consistently excel before the scheduled promotion cycle. In these scenarios, monetary incentives present an immediate and practical solution. As these incentives deliver immediate gratification, they can be bestowed upon employees who warrant recognition without necessitating a promotion (Asaari, Desa, & Subramaniam, 2019).

Monetary incentive programs prove to be advantageous not only for rewarding existing employees but also for attracting new talent. Highlighting an organization's incentive plans during recruitment becomes an effective strategy to entice skilled candidates. The prospect of earning monetary rewards can serve as a persuasive factor for potential recruits, fostering a more competitive recruitment process. Incorporating these advantages into the study's framework illuminates the multifaceted impact of monetary incentives on employee engagement, motivation, and organizational success (Acheampong, 2021).

**Structuring Monetary Incentive**

The strategic dimension of this study underscores the pivotal role of monetary incentives within organizational dynamics. The foremost objective behind any monetary incentive facilitated by management is to drive specific outcomes that culminate in enhanced profitability and heightened productivity for the organization. The configuration of the monetary incentive scheme holds sway over its effectiveness on employees and its ensuing advantages for management. Designing the scheme demands a strategic approach that resonates with employees, engendering a sense of anticipation and elevating productivity, thereby aligning with the desired organizational objectives. Examples elucidate the versatility of such structuring.

Industry standards can serve as a foundational reference when structuring the monetary incentive scheme. For instance, in sales programs, incentives often manifest as commissions or bonuses contingent on sales achievements. These may take the form of per-sale rewards or cumulative aggregates over a specified period. A team-oriented approach might involve setting collective goals and rewarding the team upon successful attainment. Consider an illustration where the accounting team sustains an error rate below two per cent for a month, warranting a reward of N2000 for each team member. Such an approach nurtures teamwork, fostering an environment where mutual support is valued—a prime example of a team-based incentive structure.

Furthermore, the scheme could encompass all employees, as exemplified by year-end bonuses or profit-sharing mechanisms tied to performance evaluations. Over time, employees come to rely on these bonuses, incorporating them into their holiday budgets. This integration underscores the potent influence of such incentives, bolstering employee commitment to their duties. A meticulously structured payment scheme harmonizes management's objectives and monetary incentives' purpose, facilitating their seamless alignment. Organizations can harness their transformative potential by strategically embedding such incentives to propel
productivity, nurture commitment, and accomplish defined strategic outcomes (Cheese, Thomas, & Craig, 2007).

**Non-Monetary Incentives**

Although our study is focused on monetary incentives, other incentives are given to employees which are not monetized. These incentives are known as non-monetary incentives. Non-monetary incentives are also effective in employee motivation and performance (Abdullah & Wan, 2013; Jeffrey, 2004). We will only list the various types available but will not go into details as it is not the focus of our study. The major types of non-monetary incentives are medical incentive schemes (popularly known as HMO), company transport schemes, staff quarters, work from home, vacations, free meal vouchers, children scholarship schemes, loan assistance, career development schemes, recognition on birthdays, outstanding employee plaques, life insurances schemes, and free mobile phones.

**Employee Motivation**

While motivation theories have not been immune to criticism, it is noteworthy that managers frequently build their pay and reward systems upon these theoretical foundations. Moreover, these theories underscore the acknowledgement of individual differences, thereby linking rewards to performance, contributing to a more personalized approach to motivation strategies.

Repenning (2002) exploration reveals a significant nexus between innovation failures and motivational challenges within organizations. He highlights three pivotal feedback processes—reinforcement, diffusion, and normative pressure—that yield decisive roles in shaping innovation dynamics. Although these processes’ constituents and interconnections are well-documented in the literature, their synthesis provides an innovative, streamlined perspective on the implementation of innovation.

As per Moon (2000), managerial reform has brought forth key concerns centering on motivation, organizational efficacy, and performance-driven management. This encompasses areas such as pay-for-performance, performance measurement, participatory decision-making processes, and adaptable organizational cultures. The concept of pay-for-performance, for instance, has been embraced by numerous public agencies as an avenue to invigorate motivation and elevate organizational performance within the public sector, particularly under the Performance Management and Recognition System (PMRS). A core premise underpinning pay-for-performance is its direct correlation between performance and financial rewards, with the intent of bolstering public employees’ organizational commitment, fostering enhanced effectiveness and job satisfaction.

Scholars across diverse disciplines exhibit profound interest in human motivation and organizational commitment. Motivation constitutes a focal point of research attention within public administration studies. Triggered by concerns about dwindling morale and motivation among public employees, numerous scholars have focused on motivational quandaries, job satisfaction, and organizational commitment within public institutions. Despite existing studies exploring the interplay between motivation and organizational commitment, a plethora of conceptual and methodological uncertainties persist. For instance, the term "organizational commitment" lacks a singular, precisely delineated definition. Angle and Perry (1981) consolidate diverse interpretations of commitment by encapsulating it within a comprehensive framework based on prior studies. The multifaceted nature of the concept is evident,
encapsulating a willingness to invest energy and loyalty in social systems, a sense of bound identity, and an emotional attachment to an organization beyond utilitarian considerations. Variations of commitment, including organizational identification and involvement, have also emerged. Nonetheless, despite the nuanced interpretations, organizational commitment remains more apt for gauging human behaviour within organizations compared to related metrics like job satisfaction or involvement, as Crewson (1997) affirms.

Wittmer (1991) study underscores distinctions in values and reward preferences between public and private sector managers. Monetary incentives wield greater sway over motivation among private sector managers, while factors such as promotion, prestige, co-worker camaraderie, and opportunities for public service exhibit no significant sectoral variance. Falcone (1991) delves into job satisfaction disparities among public, private, and hybrid organizations, positing that public entities often exhibit lower job satisfaction levels. Nagin, Rebitzer, Sanders, and Taylor (2002) insights delve into economic incentive models, which revolve around the notion that employees, as "rational cheaters," gauge their actions' consequences and shirk if perceived benefits outweigh the costs. Organizations counter this behaviour through monitoring and incentive pay strategies, rendering shirking unprofitable. This perspective, prevalent in economics, is met with skepticism by human resource practitioners and other social science disciplines engaged in employment relationship studies. In addressing shirking tendencies, economists propose incentive payment systems. Bénabou and Tirole (2003) advocate that the rational cheater model's validity is empirically verifiable, albeit challenging. If rational cheating holds, reduced monitoring should yield heightened shirking, particularly among employees for whom the employment relationship's value is lower. However, empirical assessment of this model encounters obstacles, including rational cheaters' penchant for engaging in hard-to-detect shirking behaviour and disentangling monitoring effects from other unobserved factors within the firm's human resource system.

In conclusion, the synthesis of these theories and insights highlights the intricate tapestry of motivation within organizational contexts. The interplay between theory and practical application underscores the complex nature of employee motivation and its vital role in shaping organizational outcomes.

**The Link between Monetary Incentives and Employee Motivation**

Citing Kossek and Van Dyne (2008), M. Ali, Kulik, and Metz (2011) assert that flexible work programmes have been established to have a positive relationship with motivation, job satisfaction, work schedule satisfaction, and productivity. Also, higher levels of job satisfaction with employee work schedules and duties can assist ingenuity and innovation and enhance problem-solving by managers in the organization. The following incentive and motivation programmes have a link with motivation theory.

a. Employee involvement programs: These include participative management, representative participation, quality circle, and employee stock ownership plans. The employee involvement program is consistent with Maslow's higher-order need, McGregor's Theory Y, and Herzberg's Intrinsic factors. It is a participative process that uses the entire capacity of employees and is designed to encourage increased commitment to the organization's success. The underlying logic is that involving workers in decisions that will affect them and increasing their autonomy and control over their work lives will make employees
more motivated, committed to the organization, productive, and satisfied with their jobs (McGregor, 1960).

b. Variable pay program: The forms of variable pay programs include wage incentives, profit sharing, bonuses, piece-rate plans, and gain sharing. These programs make it possible for a person to be paid not only for time on the job or seniority but a portion of an employee's pay is also based on some individual or organizational measure of performance, or both. The programs reduce pay expenses when performance declines. The lower-order needs of the individual will be induced to higher performance in order to receive higher wages (Kuhn & Yockey, 2003; Milkovich, Newman, & Milkovich, 2014).

c. Skill-based Pay Plans: These set pay levels on the basis of how many skills employees have or how many jobs they can do rather than having an individual's job title define their pay category. Skill-based pay plans are consistent with Maslow hierarchy of need theory because, among employees whose lower-order needs are substantially satisfied, the opportunity to experience growth can be a motivator (Jerome, 2013).

Theories of motivation are not useless as many people think. Rather, managers and organizations use them to build practical incentive programs. They have been used to introduce a number of programs designed to increase employees' motivation, productivity, and satisfaction.

Employees Performance

Huselid (1995) extensive research encompassing 968 US companies, conducted through questionnaires, unveils a compelling linkage between employee motivation and performance outcomes. Complementing this, Arthur (1994) study delving into labour efficiency underscores that enterprises adopting high-commitment strategies significantly manifest elevated performance levels. This convergence of findings substantiates the assertion that employee performance constitutes a pivotal determinant of overall productivity. Given its direct relevance to managerial concerns, this notion assumes paramount importance, emphasizing both output quantity and quality per employee.

According to Nishii, Lepak, and Schneider (2008), specific attitudes and behaviours exhibited by employees play a pivotal role in influencing their performance levels. Variables such as absenteeism, turnover rates, and job satisfaction significantly contribute to shaping performance outcomes. Recognizing the symbiotic relationship between employee performance and organizational viability, the imperative emerges to gauge and govern performance to ensure organizational sustenance. Labour productivity emerges as a crucial metric, denoting output per unit of time worked.

Owing to the pivotal role of human input as a production factor, the enhancement of employee productivity has perpetually been a focal point. This emphasis on productivity aligns with the necessity for measurement, constituting an indispensable facet of the control process. It is pertinent to acknowledge that productivity materializes as an outcome of performance, thereby highlighting the interconnectedness of these concepts. Notably, productivity assessment in certain domains poses challenges; for instance, quantifying the productivity of knowledge workers proves more intricate than that of skilled labour. Within the automotive sector, productivity is held in high esteem, thus prompting the formulation of guiding principles, regulations, and protocols aimed at optimizing employee performance. This multifaceted approach encompasses motivation augmentation, refinement of reward
mechanisms, acknowledgement of exceptional performance, and cultivation of collaborative abilities among employees. Amidst these strategies, the question arises—how can employees be most effectively motivated to elevate their performance? A consensus prevails that an amalgamation of monetary and non-monetary incentives stands as a cornerstone for bolstering productivity and performance. However, the present study accentuates the focal point of monetary incentives and their profound influence on motivation and performance within the automobile industry. This research probes the intricacies of how monetary incentives influence motivation dynamics and ultimately amplify the performance of employees in the dynamic Auto-Industry landscape.

**Theoretical Framework**

Three specific theories were formulated around the 1950s, which though now heavily criticized, and their validity called into question, are probably still the best-known explanations for employee motivation. Two of those theories formulated by the organization behaviorists are relevant to our study and can be applied by organizations implementing monetary incentive schemes. These two theories are Maslow Abraham hierarchy of needs theory (1943, 1948) and Frederick (Herzberg) Motivation-Hygiene Theory (1959). Notably, there have been many other motivation theories, but the above theories represent a foundation from which other theories have grown.

**Abraham Maslow's Hierarchy of Needs Theory**

Maslow hypothesized that five groups of needs are arranged in hierarchical order within every human being and that as each of these needs becomes substantially satisfied, the next need becomes dominant. The needs are (McLeod, 2007):

a) Physiological Needs: These include hunger, sex, shelter, clothing, and other bodily needs.

b) Safety Needs: These refer mainly to freedom from bodily threats, such as security and protection from physical and emotional harm,

c) Social Needs: These include the need for affection, a sense of belonging, acceptance, love and friendship.

d) Esteem Needs: These include internal factors such as self-respect, autonomy, and achievement and external factors such as status, recognition and attention.

e) Self-Actualization Needs: These include the drive to become what one can become, such as growth, achieving one's potential, and self-fulfilment.

Maslow's Hierarchy of Needs Theory segregates human needs into two distinct categories: lower-order and higher-order needs. Within this framework, physiological and safety needs fall under the realm of lower-order needs, while social, esteem, and self-actualization needs are classified as higher-order needs. The differentiation lies in the mode of satisfaction—higher-order needs are gratified internally, whereas lower-order needs are predominantly met through external means such as wages, union agreements, and job tenure.

The appeal of Maslow's needs theory stems from its logical simplicity, rendering it comprehensible and accessible. Despite its widespread recognition, its claims remain unsubstantiated by empirical research. Nonetheless, its acknowledged relevance has catalyzed its pervasive adoption among practising managers, serving as a guiding framework for incentivizing and motivating their workforce.
This theory's significance is germane to our study due to its inherent ability to elucidate the value of employees' roles. It empowers workers to comprehend how their job roles contribute to their individual journey toward self-actualization. Armed with this insight, employees garner a sense of esteem and respect, cultivating a deep-seated motivation to excel in their roles.

In conclusion, Maslow's Hierarchy of Needs Theory provides a structured framework for understanding human needs and offers a compelling avenue to inspire and elevate employee performance. Its intuitive nature has led to its integration into managerial practices, exemplifying its influence in shaping employee motivation strategies.

**Frederick Herzberg Motivation-Hygiene Theory**

This theory posits the presence of two distinct work motivators—extrinsic and intrinsic factors—with the premise that an individual's relationship with work is foundational, exerting a profound influence on success or failure. Within this framework, work attitude emerges as a pivotal determinant of outcomes. The extrinsic factors, termed hygiene variables, are recognized as sources of dissatisfaction. These encompass physical work conditions, interpersonal relationships, company policies, administrative aspects, supervision, salary, job security, status, and personal life. Dissatisfied respondents attribute these factors to the moments when they feel discontented about their roles.

In contrast, intrinsic variables, referred to as motivators or satisfiers, are identified as potent contributors to job satisfaction. These elements play a marginal role in engendering dissatisfaction. Motivators encompass achievement, recognition, the nature of the work itself, responsibility, advancement, and growth. Herzberg's proposition of the duality of satisfaction and dissatisfaction asserts that satisfaction is distinct from its absence, and similarly, dissatisfaction is separate from its absence. Factors leading to job satisfaction are fundamentally disparate from those contributing to job dissatisfaction. While the motivation-hygiene theory gained recognition, it faced scrutiny and skepticism, raising concerns about its validity and methodological underpinnings.
This theory's applicability to our study and the workplace is evident in its prescription for cultivating a contented and productive workforce. It underscores the imperative of bolstering both motivator and hygiene factors. To instil motivation, it is essential to ensure employees feel valued and supported. Regular feedback, clear growth prospects, and opportunities for advancement are pivotal. Creating optimal working conditions and ensuring fair compensation is paramount to mitigating job dissatisfaction. Cultivating supportive relationships with team members is equally crucial. It is important to recognize the diversity of employee motivations, as one approach might not resonate with all. In alignment with this, Paul Hebert of Symbolist advocates a personalized benefits approach, asserting that true engagement arises by addressing dissatisfaction issues and then focusing on individuals' aspirations within the organizational context.

**RESEARCH METHODOLOGY**

**Research Design**
The descriptive research design was used for this study. The design was appropriate because the research is a case study approach, and data were collected for the purpose of interpreting the phenomena that exist, the altitude that prevails, and the opinions that the respondents held.

**Study Area**
The study area of this project is the Lagos metropolitan area, where the head offices of the companies used as the case study are located.

**The Population of the Study**
The population for the study comprised male and female, junior, Senior, and management staff selected from the three companies used as a case study. A total of 150 persons were randomly selected.

**Sampling Procedures and Sample Size Determination**
Simple random sampling was used to select 150 persons from the population in the three companies used as the case study, which means 50 people from each company. The sampling frame was designed to mark from 01-50 for each company. And then, using the statistical table of random members, the desired sample size of 120 was selected.

**Source of Data and Data Collection Method**
The data used for this study are primary sources from the staff of the three companies (Elizade Limited, Coscharis Plc. and Stallion Plc.) through the use of a questionnaire as a data collection method. The questionnaires were distributed to a sample population from each company understudy and were retrieved after twenty-four hours and this time allowed respondents to reflect on the questions and give unbiased and informed responses.

**Research Instrument**
The research instrument used for data collection for this study was a questionnaire. The questionnaire has two sections (A & B). Section A was on respondents' demographic data, including age, sex, class, etc. Section B was designed to elicit the effect of monetary incentives on the worker's performance through structured questions. The direction of responses was clearly stated; "S' (Strongly Agree)," (Agree),"S' (Strongly Disagree)," (Disagree),” (Undecided) bases and ticking on narrative questions.

**Validity and Reliability of Instrument**
For face and content validation copy of the questionnaire was given to the project supervisor for criticism and correction. The criticism and correction of the supervisor helped to validate
the questionnaire. Test, re-test method was used to test the reliability of the instrument; data collected were subject to co-efficient correlation test.

**Data Analysis Technique**

Data collected through the questionnaire was tabulated, analyzed and subjected to statistical tools. A simple percentage was used to present the demographic data. Correlation statistics were computed to test the four hypotheses of the study. The p-value was compared with the 5% or 1% level of significance to accept or reject the null hypothesis ($H_0$).

**DATA PRESENTATION, ANALYSIS, AND INTERPRETATION**

**Distribution of Respondents**

This study aimed to assess the influence of monetary incentives on the performance of workers within the Nigerian context, specifically focusing on the Automobile Industry. The data presented in the following tables were gathered through the distribution of questionnaires to obtain insights into this phenomenon.

A total of 150 feedback forms (questionnaires) were disseminated among the participants, resulting in 120 completed forms returned for analysis. The subsequent tables illustrate the distribution of respondents based on factors such as Gender, Age, Educational Background, Years of Work Experience, and Employment Status within the company (Tables 1-5). To analyze the collected data, descriptive statistics involving frequencies and simple percentages were employed, offering valuable insights into the perceptions and experiences of the participants.

Table 1 shows that our respondents were made up of 87 males, which represented 72.5% of the respondents, with 33 females representing 27.5% of the respondents. This implies that we had more males than females in the study; we can conclude that more males work in the automobile industry than females. Table 2 showed that our respondents were more of the people between the ages of 30-39 years. This implies that more people of this age bracket are employed in the Automobile industry. If a graph is plotted on this, it will show that it rises from 30 years then start dropping as the people aged 50 years.

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>87</td>
<td>72.5%</td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>27.5%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Table 2**

*Distribution of Respondents based on Age*

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>Less than 30</th>
<th>30 but less than 40</th>
<th>40 but less than 50</th>
<th>50 above and No response on Age</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>18</td>
<td>42</td>
<td>36</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Percentage</td>
<td>15%</td>
<td>35%</td>
<td>30%</td>
<td>12.5%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Table 2 shows the educational level of respondents. It shows that 44.2% of respondents have bachelor's degrees. This implies that the majority of workers in the automobile industry have a bachelor's degree. We can conclude that the automobile industry is made up of mostly...
educated staff. Table 5 on work experience shows that 80.8% of the Nigerian Automobile industry has over two years of work experience. We shall look at the various questions as presented in the feedback form and analyze them according to the several sub-headings (Salary, Bonus, Pay-Raise, Profit Sharing and Retirement Benefits)

Table 3
Distribution of Respondents based on Educational Qualification

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>Below BSc or Equivalent</th>
<th>Bachelor's Degree</th>
<th>Master's Degree</th>
<th>Professional Qualification</th>
<th>Others</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>29</td>
<td>53</td>
<td>24</td>
<td>14</td>
<td>-</td>
<td>120</td>
</tr>
<tr>
<td>Percentage</td>
<td>24.2%</td>
<td>44.2%</td>
<td>20%</td>
<td>11.6%</td>
<td>-</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 4
Distribution of Respondents based on Company Status

<table>
<thead>
<tr>
<th>Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior Employee</td>
<td>45</td>
<td>37.5%</td>
</tr>
<tr>
<td>Senior Employee</td>
<td>45</td>
<td>37.5%</td>
</tr>
<tr>
<td>Manager</td>
<td>30</td>
<td>25%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 5
Distribution of Respondents based on Work Experience

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 2 years</td>
<td>23</td>
<td>19.2%</td>
</tr>
<tr>
<td>2 years and above</td>
<td>97</td>
<td>80.8%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

(i) Salary

Table 6 on Salary indicated that 30% of our respondents strongly agree that the salary and wages in the industry do not reflect the standard set by the salary and wages commission, and 43.3% also feel that their salaries should be reviewed every 2-3 years. The analysis shows that most of the respondents are not satisfied with the salary structure of the automobile industry, which may negatively impact their performance.

Table 6
Salary Feedback Form

<table>
<thead>
<tr>
<th></th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Frq</td>
<td>20</td>
<td>12</td>
<td>30</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>16.7%</td>
<td>10.0%</td>
<td>25.0%</td>
<td>18.3%</td>
</tr>
<tr>
<td>2</td>
<td>Frq</td>
<td>39</td>
<td>32</td>
<td>28</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>32.5%</td>
<td>26.7%</td>
<td>23.3%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>
(ii) **Bonus**

Table 7 on Bonus Payment shows that Bonus has high degree of influence on the performance of employees in the Automobile Industry, 60% strongly agree that Bonus payment is a key motivating factor towards performance.

<table>
<thead>
<tr>
<th>Bonus Feedback Form</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bonus</strong></td>
</tr>
<tr>
<td>1 Payment of performance bonus should be part of company policy and mode of operation.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2 Bonus payment is a motivating factor for me to work hard and double my performance</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3 Bonus payment should come as at when due. Delay or non-payment demoralizes my performance.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

(iii) **Pay Rise**

Table 8 shows that a pay rise is a strong motivation for employee performance. Over 60% of the staff strongly agreed that pay rise is a key factor.

<table>
<thead>
<tr>
<th>Pay Rise Feedback Form</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pay Rise</strong></td>
</tr>
<tr>
<td>1 Increase in salary would improve my performance.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2 Pay Rise gives me a high level of satisfaction and fulfillment.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3 Pay Rise is a strong motivating factor for one to work hard</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

(iv) **Profit Sharing**

Table 9 shows that more of our respondent (39.2%) does not care much about profit sharing as it does not determine their motivation to work.
Table 9
Profit-sharing Feedback Form

<table>
<thead>
<tr>
<th>Profit Sharing</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Openness of management on profit sharing boost stakeholders confidence in the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freq</td>
<td>60</td>
<td>43</td>
<td>2</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>%</td>
<td>50%</td>
<td>35.8%</td>
<td>1.7%</td>
<td>4.2%</td>
<td>8.3%</td>
</tr>
<tr>
<td>2 Profit sharing is a strong motivating factor for staff in the Automobile industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freq</td>
<td>13</td>
<td>13</td>
<td>4</td>
<td>47</td>
<td>43</td>
</tr>
<tr>
<td>%</td>
<td>10.8%</td>
<td>10.8%</td>
<td>3.4%</td>
<td>39.2%</td>
<td>35.8%</td>
</tr>
<tr>
<td>3 As an employee I benefit from my company profit sharing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freq</td>
<td>12</td>
<td>18</td>
<td>8</td>
<td>37</td>
<td>45</td>
</tr>
<tr>
<td>%</td>
<td>10%</td>
<td>15%</td>
<td>6.7%</td>
<td>30.8%</td>
<td>37.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(v) Retirement Benefit
Table 10 shows the impact of retirement on workers’ motivation. The employees strongly agreed that the company policies should include good retirement benefits.

Table 10
Retirement Benefit Feedback Form

<table>
<thead>
<tr>
<th>Retirement Benefit</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Automobile companies have the best retirement benefits.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freq</td>
<td>26</td>
<td>30</td>
<td>13</td>
<td>27</td>
<td>24</td>
</tr>
<tr>
<td>%</td>
<td>21.7%</td>
<td>25%</td>
<td>10.8%</td>
<td>22.5%</td>
<td>20%</td>
</tr>
<tr>
<td>2 The retirement benefit of my company gives me a high level of Job Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freq</td>
<td>31</td>
<td>33</td>
<td>17</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>%</td>
<td>25.8%</td>
<td>27.5%</td>
<td>14.2%</td>
<td>16.7%</td>
<td>15.8%</td>
</tr>
<tr>
<td>3 Good retirement benefits should be included in company policies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freq</td>
<td>57</td>
<td>34</td>
<td>4</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>%</td>
<td>47.5%</td>
<td>28.3%</td>
<td>3.4%</td>
<td>12.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data Analysis and Interpretation
We shall be looking at the five factors (Salary, Bonus, Pay Rise, Profit Sharing and Retirement Benefit) from our questionnaire to test for general acceptance of our study using the Chi-square test. First let us develop a contingency table from the respondent answers gotten.

To achieve this, we shall summarise our respondent answers into only two answers (Agree and Disagree)

**Note:** Agree = SA + A; Disagree = SD + D

Table 11 shows the Observed figures from our study, but to calculate the Chi-square, we need to get the Expected figures from the contingency table.
Table 11

*Observed Figures from our Study*

<table>
<thead>
<tr>
<th>Factor</th>
<th>Agree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>201</td>
<td>a</td>
<td>89</td>
</tr>
<tr>
<td>Bonus</td>
<td>325</td>
<td>d</td>
<td>6</td>
</tr>
<tr>
<td>Pay Rise</td>
<td>353</td>
<td>g</td>
<td>1</td>
</tr>
<tr>
<td>Profit Sharing</td>
<td>159</td>
<td>j</td>
<td>187</td>
</tr>
<tr>
<td>Retirement Benefit</td>
<td>211</td>
<td>m</td>
<td>115</td>
</tr>
<tr>
<td>Total</td>
<td>1249</td>
<td>398</td>
<td>1647</td>
</tr>
</tbody>
</table>

Applying the formula in Equation 1 to calculate the Expected of both agreed and disagreed.

Expected of both agreed and disagreed = \( \frac{(a + b)(a + d + g + j + m)}{N} \)  \(\text{Equation 1}\)

Where N is the sum total, the expected contingency table is shown in Table 12.

Table 12

*Expected Contingency*

<table>
<thead>
<tr>
<th>Factor</th>
<th>Agree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>219.9</td>
<td>70.1</td>
<td>290</td>
</tr>
<tr>
<td>Bonus</td>
<td>251.0</td>
<td>80.0</td>
<td>331</td>
</tr>
<tr>
<td>Pay Rise</td>
<td>268.5</td>
<td>85.5</td>
<td>354</td>
</tr>
<tr>
<td>Profit Sharing</td>
<td>262.4</td>
<td>83.6</td>
<td>346</td>
</tr>
<tr>
<td>Retirement Benefit</td>
<td>247.2</td>
<td>78.8</td>
<td>326</td>
</tr>
<tr>
<td>Total</td>
<td>1249</td>
<td>398</td>
<td>1647</td>
</tr>
</tbody>
</table>

Applying the Chi-square formula in Equation 2.

\[ \text{Chi – square} = \sum \frac{(O-E)^2}{E} \]  \(\text{Equation 2}\)

Where O = Observed and E= Expected

The Chi- square =397.6, while the square root of 397.6 = 19.9

Degree of freedom = \((r-1)(c-1)\)

\[ \text{DF} = (5-1)(2-1) \]  \(\text{Equation 3}\)

\[ \text{DF} = (4)(1) \]
DF = 4
The probability = 0.005
Since the Chi-square value is 397.6 and the degree of freedom is 4, when this is entered into
the chi-square distribution table with 4 degrees of freedom and reading along the row we find
that at 0.005 probability level, the chi-square value will be reading 14.86 (or 3.85 which is the
square root,) which is less than the calculated chi-square value of 397.6 (or 19.9 which is the
square root) therefore we reject all the null hypothesis "Ho."

Test For Hypothesis / Discussion on Findings
The hypothesis for the study is:

H0 = Null Hypothesis
H1 = Alternate Hypothesis

The H0 = Null Hypothesis is further broken down into the following according to test
variables:

H01: Cash Bonus (Sales Commissions) do not have any effect on employee performance in
the Nigerian Automobile Industry
H02: Retirement Benefits do not lead to Job satisfaction in the Nigerian Automobile Industry.
H03: Pay rise is not effective on worker's performance in the Nigerian Automobile Industry.
H04: Profit sharing is not relevant to workers' performance in the Nigerian Automobile
industry.

However, H1 = Alternate Hypothesis, shows that the variables (Salary, Bonus, Pay Rise,
Profit Sharing and Retirement Benefits) significantly impact worker's performance in the
Nigerian Automobile Industry.

The two hypotheses were examined employing the chi-square contingency table method. The
questionnaire, encompassing questions related to the Five Factors of monetary incentives,
delved into key aspects such as salary, bonus, pay rise, profit sharing, and retirement benefits.
These questions underwent scrutiny via the chi-square formula/analysis. The computed chi-
square results established a correlation between the variables or factors of monetary incentives
and the performance of workers within the Nigerian Automobile Industry. This deduction
arises from the observation that the calculated chi-square value surpasses the critical value in
the chi-distribution table, considering a degree of freedom of 4—consequently, all the Null
hypotheses "Ho" were refuted.

Thus, the outcomes of the chi-square analysis corroborate the Alternate Hypothesis, indicating
that Monetary Incentives (Salary, Bonus, Pay Rise, Profit Sharing, and Retirement Benefits)
significantly impact workers' performance in the Nigerian Automobile Industry.

CONCLUSION AND RECOMMENDATION

Summary of Findings
From our study, it is interesting to know that Nigerians have good knowledge of monetary
incentives and their factors and element and how these important factors and elements have
defined and influenced the performance of workers at various organizations and industries.
Our findings show that Salaries within the Automobile Industry do not reflect the societal
image associated with workers within the industry. It also revealed that salaries are not
reviewed as when due, thus not reflecting the Salaries and Wages Commission standard. Our
findings also show that Bonus payment as at when due and Pay-Rise stands as the most
motivating factor among the variables studied. Both have a significant correlation to
performance and job satisfaction. We had excellent responses from workers in these sections; the percentage was between 60% - 75%. Workers in the Nigerian Automobile Industry see these two factors as a key determinant of their performance.

Our finding also revealed that Profit Sharing is not a common practice within the industry, and in instances where it was carried out, Workers complained of a lack of transparency. Thus, they demand that transparency and openness be employed in this regard, which will further motivate the players in the industry. Our study further revealed that Retirement Benefits within the Automobile Industry are not encouraging to the staff and demand that the key players in the Automobile Industry should improve upon such an important factor. In summary, our finding supports our alternate hypothesis, which states that monetary incentives significantly impact workers' performance within the Nigerian Automobile Industry.

**Conclusion**

The primary objective of our study was to comprehensively investigate the "Effect of Monetary Incentives on Workers Performance," using the Nigeria Automobile Industry as a pertinent case study. Drawing upon the insights garnered from our extensive survey, we are pleased to present the following well-grounded conclusions:

1. Our investigation reveals that individuals within the Nigerian workforce possess a comprehensive grasp of the diverse elements and factors comprising monetary incentives. These individuals also keenly understand how these pivotal factors have intricately shaped and influenced their workplace performance.

2. Among the various incentive elements, our findings underscore the profound impact of incentives such as bonuses and Pay-Rise on workers' performance. These incentives emerge as the most influential factors driving enhanced work performance within the studied context.

3. The research further highlights the critical significance of consistent and timely salary reviews. A consistent review process is imperative for sustaining high workforce motivation and performance levels. The need for management to ensure periodic and timely salary adjustments becomes apparent.

4. Our study also reveals a noteworthy insight regarding Profit Sharing incentives. Within the Nigeria Automobile Industry, the practice of Profit Sharing is not a prevailing norm. Additionally, workers express reservations concerning the transparency of the process, emphasizing the need for enhanced transparency in order to foster employee trust and engagement.

5. The research outcomes indicate a pervasive belief among workers in the Automobile industry that management's consistent application of monetary incentives, coupled with a transparent process, constitutes a potent strategy for motivating employees to achieve optimal performance levels.

Our meticulous study provides empirically grounded conclusions illuminating the intricate interplay between monetary incentives and workers' performance within the Nigeria Automobile Industry. These insights hold significant implications for industry practitioners, suggesting that the judicious application of transparent and consistent monetary incentives has the potential to foster an environment of enhanced employee motivation and exceptional performance outcomes.
Recommendations
Based on the comprehensive conclusions drawn from this study, we offer the following strategic recommendations to optimize the relationship between monetary incentives and workers' performance within the Nigerian Automobile Industry. It is recommended that organizations proactively communicate to their employees that exemplary performance will be duly rewarded through monetary incentives. This entails establishing a clear link between reward and performance, with bonus and pay-raise structures being predicated on individual or team accomplishments. Transparency in outlining these performance-based incentive mechanisms can significantly elevate employee motivation.

Management across diverse companies within the Automobile Industry should prioritize consistent and timely reviews of workers' salaries. Ensuring that remuneration reflects prevailing standards and expectations, as relevant regulatory bodies advocate, can cultivate a sense of equity and value among employees. Equally crucial is the punctual disbursement of bonus payments, as this punctuality reinforces the connection between performance and reward, sustaining high levels of employee motivation. To invigorate employee performance, organizations are encouraged to adopt pay rise policies that are intrinsically tied to enhanced performance. Regular review and adjustment of salaries to reflect employees' dedication and competence can serve as a potent motivational tool, amplifying commitment and efforts.

Management should proactively reassess the retirement benefit structure within the Automobile Industry. The aim is to bolster job satisfaction among employees, thus fostering a sense of security and well-being. By enhancing retirement benefits, organizations can create a more conducive work environment that nurtures dedication and engenders superior performance. A paramount recommendation is the cultivation of transparency across all facets of monetary incentive processes. Management's commitment to transparent practices ensures that incentive-related operations are executed fairly and without ambiguity. This transparency reinforces employees' trust in management and amplifies their motivation to perform optimally.

References


**Conflict of Interest Statement**

No conflict of interest has been declared by the authors.